

New Residential Forms
By: Marc Headden

By now I hope that all appraisers are aware that Fannie Mae and Freddie Mac have new residential appraisal forms. Fannie Mae announced that eleven new forms (forms 1004, 1004C, 1004D, 1025, 1073, 1075, 2000, 2000A, 2055, 2090, 2095) will soon be required. These include forms for single-family, 2-4 family, or small residential income properties, manufactured homes, condominium and cooperative units, as well as two field review reports. Lenders are allowed to use the old forms only until October 31, 2005. As of November 1, 2005, the new forms (dated March 2005) must be used for all Fannie Mae appraisal reports.

As of November 1, 2005, these forms should no longer be used as general-purpose forms for the appraisal of residential real estate. These new forms are to be used by lenders only. It is my understanding that several appraisal organizations and some software providers are producing alternative forms for general-purpose appraisal reports. For example, these alternative forms would be used if you were asked to appraise a residential property for the property owner, attorneys, estates, etc.

The sole purpose and intended use of the new Fannie Mae and Freddie Mac form is for the lender/client in evaluating the property for mortgage financing. As stated, the new Fannie Mae forms go into effect November 1, 2005. The Freddie Mac forms go into effect January 1, 2006. VA and FHA are expected to adopt some of these forms in 2006. I would urge everyone to take a class or log-on to their website, www.efanniemae.com, to find out more about these forms. A list of approved classes is available on the Tennessee Real Estate Appraiser Commission website at www.state.tn.us/commerce/boards/treac.